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MONTANA
Department of Commerce

MONTANA BOARD OF HOUSING
P.O. Box 200528 ★ Helena, Montana 59620-0528 ★ <http://www.housing.mt.gov>
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MEMO

DATE: March 11, 2009

TO: Chairman Lake and Members of House Taxation

FROM: Bruce Brensdal Executive Director

THROUGH: Anthony J. Preite Director MT. DOC

RE: Follow-up on Questions at HB640 Hearing

I would like to clarify an issue that might be misunderstood based on a question that was asked at the hearing on the above mentioned bill held today. There is only one fund referred to in HB640, the "Housing Montana Fund" the Montana Board of Housing (MBOH) manages this fund. There were two one time only sources of financing provided by the 2001 legislature but only one fund.

The other information you requested is listed below:

As of June 30, 2008 Audited Financial Statements:

Bonds Payable, Net	\$949,400,970
Mortgages FY 2008	1,611
Amount	\$202,000,000

- Due to the unrest in the bond investment world the Board of Housing is currently unable to issue bonds so current year production is 15% of last year.
- Board debt is not an obligation of the State. The only recourse for bond holders is the Board and the mortgages backing these bonds.
- All mortgages are 30 year fixed insured mortgages and the Board maintains a high bond rating for Moody's at Aa1 and S&P at AA+.

December 2008 delinquency and foreclosure data:

	<u>MBOH</u>	<u>US</u>
Delinquency	2.73%	8.63%
Foreclosure	0.56%	1.08%

If you have any questions you may contact me at bbrensdal@mt.gov or 406-841-2844.

Thank-you